

FISCAL NOTE
SB 3457 - HB 3544

March 6, 2004

SUMMARY OF BILL: Provides the Department of Revenue with the authority to accept credit cards, debit cards or other similar financial transaction cards for payment of taxes. The department would have the power to wholly or partially offset any cost for accepting payment in this manner. The bill would also specify the manner in which a taxpayer could file for an extension for Franchise and Excise taxes by allowing the taxpayer to submit a copy of the taxpayer's request for an automatic extension for filing federal income taxes for the same tax period. Additionally, the bill allows the Commissioner of the Department of Revenue to enter into managed compliance agreements with taxpayers.

ESTIMATED FISCAL IMPACT:

Increase State Revenues - Exceeds \$75,000
Increase State Expenditures - Exceeds \$75,000

Estimate assumes:

- The increase in state revenues is attributable to fees to taxpayers for accepting financial transaction cards.
- The increase in state expenditures is attributable to the cost to the Department of Revenue for accepting financial transaction cards.
- The Department of Revenue will offset all costs to the state for accepting financial transaction cards through fees to taxpayers utilizing this form of payment.
- 2.5% of all taxpayers will make payments in the manner authorized by this bill. This is the same percentage that make federal tax payments by utilizing financial transaction cards.
- A 2.5% fee from companies issuing financial transaction cards.
- There would be no cost to the state by allowing people to file extensions through the process allowed by this bill.
- Any administrative cost to the Department of Revenue to enter into managed compliance agreements is not significant and could be handled within existing budgeted resources of the department.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

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A handwritten signature in black ink, reading "James W. White". The signature is written in a cursive style with a prominent initial "J" and a distinct "W".

James W. White, Executive Director